AN ACT to amend Tennessee Code Annotated, Title 16, Chapter 3; Section 16-3-803 and Section 67-4-602, relative to litigation tax; and to provide for a report to the judiciary committees of the house and senate.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-4-602, is amended by adding a new subsection (f) as follows:

(f) In addition to any other tax levied by this chapter, there is levied an additional privilege tax on litigation of ten dollars (\$10.00) in all civil cases in the circuit courts and chancery courts and an additional privilege tax on litigation of three dollars (\$3.00) in all civil cases in the courts of general sessions. The privilege tax levied under this subsection (f) shall not apply to any of the proceedings described in Section 67-4-604(b). Notwithstanding the apportionment provisions of Section 67-4-606, all revenue derived from such additional tax shall be deposited into the civil legal representation of indigents fund authorized and created under Section 16-3-808.

SECTION 2. Tennessee Code Annotated, Title 16, Chapter 3, is amended by adding a new Part 808 as follows:

16-3-808. Funds for civil legal representation of indigents.

(a) The state treasurer is authorized and directed to establish within the general fund a fund known as the "civil legal representation of indigents fund".

- (b) The source of funding for this fund shall be the revenue derived from the litigation tax levied pursuant to subsection (f) of Section 67-4-602. Such revenue shall be collected in accordance with the provisions of Section 67-4-603 and shall be deposited to the civil legal representation of indigents fund as provided by law and shall be invested for the benefit of the fund pursuant to Section 9-4-603. Moneys in the fund shall not revert to the general fund of the state, but shall remain available and are appropriated exclusively for providing legal representation of poor persons in civil matters.
- (c) Moneys in the civil legal representation of indigents fund shall be annually allocated and expended to provide legal representation to poor persons in the state of Tennessee in civil matters in such manner as determined by the Supreme Court, including in accordance with any rules and policies adopted by the Supreme Court for such purpose. The Supreme Court may designate not-for-profit organizations which ordinarily render or finance legal services to poor persons in civil matters to receive or administer the distribution of allocated funds. The Supreme Court shall make a conscious effort in the allocation of funds and in the adoption of any implementing rules and policies to cause the moneys in the civil legal representation of indigents fund to be expended for the benefit of indigent clients in all ninety-five (95) counties of Tennessee on a poverty population basis.

SECTION 3. Tennessee Code Annotated, Section 16-3-803, is amended by adding a subsection (m) as follows:

(m) The administrative director of the courts shall annually prepare and distribute to the judiciary committees of the senate and the house of representatives: (1) a report detailing the expenditure of moneys in the civil legal representation of indigents fund; and (2) a copy of any rules and policies adopted by the Supreme Court governing the expenditure and application of funds in the civil legal representation of indigents fund.

- 2 - *00175833*

SECTION 4. This act shall take effect on July 1, 1995, the public welfare requiring it.

- 3 - *00175833*

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- 4 - *00175833*

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